MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

June 2006

DATA SYSTEMS & ANALYSIS

Maryland Trauma Physician Services Fund

The Commission will take action on regulatory changes to COMAR 10.25.10, "The Maryland Trauma Physicians Service Fund" that are needed due to the passage of House Bill 1164 (Maryland Trauma Physician Fund – Grants) at the June meeting. The staff is recommending that the Commission promulgate the regulations on an emergency basis to enable trauma physicians to receive elevated reimbursement beginning July 1st as called for under the statute. The regulations would also be adopted as proposed to allow a formal 45-day comment period.

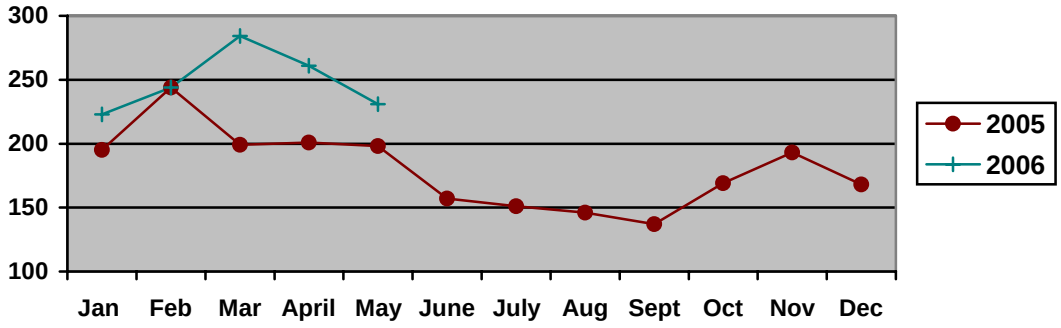
House Bill 1164 allows the Commission to award up to $3 million in capital grants to Level II and Level III Centers. MHCC staff will meet with MIEMSS and HSCRC to develop a process for awarding capital grants. Staff hopes to outline a program for awarding the grants at the August Commission meeting. The statute requires MHCC to present the plan to Senate Finance and House Health Operations Committees before awarding any funds under the program. The Joint Legislative Committee to Study Statewide Emergency Medical Services conducted a survey of capital needs at Maryland Trauma Centers for FY 2005 through 2008 and identified needs well above the $3 million dollar ceiling.

Data Base and Application Development

Visits to MHCC Consumer Sites down slightly in May

MHCC Website had 646 visits per day in May down slightly from the 688 April average. Consumer sites received about 231 visits per day (7,200 total visits) in May, again lower than the 61 visits per day (7,800 total visits) in April. About 36 percent of visits to MHCC websites were to consumer-related sections. Figure 1 presents results from 2005 and the first five months of 2006. The hospital consumer site was visited by the largest number of consumers with about 146 visits per day. Staff is investigating whether additional analytics can be developed to better gauge interest in the site. One measure is duration of the visit, another measure would be number of MHCC Web pages viewed. Staff is also investigating how visitors enter the site. Conventional wisdom holds that visitors enter through the home page, but Web analytics indicate that many visitors are entering the site through links to MHCC identified through search engines such as GOOGLE. It may be possible to expand use of the site by better exploiting the web spiders that are used to build the indexes used by search engines such as GOOGLE.

Figure 1 -- Use of MHCC Consumer Sites: HMO, Hospital, Nursing Home, Assisted Living, and Ambulatory Surgery, Visits Per Day



Medical Care Data Base (MCDB)
All payers with premiums of $1 million or more in health care premiums must submit claims data for 2004 by June 30, 2006. The staff is very encouraged by work of many payers in improving the data submission effort this year. The staff has put a special emphasis on obtaining the enrollment and disenrollment information. Most of the large payers intend to comply with this effort. These two data elements will be used to better estimate annual per patient spending.

Internet-Based Dentist Re-Licensure Application
The Maryland Board of Dentistry released a Web-based dentist and dental hygienist renewal application in May. MHCC staff developed the application for the Board using a previously developed renewal application for the Board of Physicians as the model. The Board of Dentistry is delighted with the application. Approximately 35 percent of dentists (1,750 of 5,000) renewed their license through June 1st. The MHCC staff that worked on this project has received a commendation from the Board of Dentistry for his efforts.

Internet-Based Physician Re-Licensure Application
The Maryland Board of Physicians will begin their annual renewal process using a Web application developed by MHCC. No significant modifications are planned to the 2006 renewal effort. In 2005, about 85 percent of physicians renewed through the on-line site.

Release of the Long-Term Care Survey
MHCC will release the 2005 Long-Term Care Survey in July. The Internet-based survey gathers information on the use of services in about 700 nursing homes, assisting living centers, subacute care facilities, and adult day care centers. Information from the survey is used in the nursing home quality report card, the assisted living utilization guide, and in various health planning activities. Staff anticipates no major changes to the survey questionnaire or the operation of the Web application for the 2005 survey. As in past years, training will be offered to facilities that need to "refresh" their knowledge on completing the survey.

Development of a Web-based Hospital CON Application Underway
Data System and Health Resource staff has begun an effort to convert the 27 page hospital CON application to a Web-based application. The project involves more than a mere automation of a paper document. To the extent possible, the application process will be streamlined to eliminate

redundant entry of information already residing at MHCC. Additional functionality will be needed as an authentication module will be needed to enable hospitals to retrieve applications underdevelopment, but not formally submitted. A prototype of the application has been presented to Health Resources/Hospital Center staff. The prototype demonstrated that full development will be a complex undertaking. Staff is planning to have a functioning on-line application by late in 2006.

Cost and Quality Analysis

MHCC has awarded a contract to Navigant Consulting to assist the MHCC in examining payments to physicians that opt not to participate in HMO networks (non-participating providers). Fee levels for non-participating physicians that treat HMO enrollees have been a hotly debated issue in Maryland. Current law prohibits balance billing of HMO patients for covered services. The law balances the prohibition against billing the HMO patient by establishing a minimum payment of 125 percent of the in-network rate for non-participating physicians. Physicians have attempted to establish more favorable payments floors for reimbursement. In the most recent session of the Maryland General Assembly, Senate Bill 839/House Bill 896 sought to establish new fee levels for non-participating providers based on billed charges. These bills did not pass, but there was a strong commitment in the House to develop a more transparent scale. During the legislative session, several alternative proposals increased transparency but decreased reimbursement. Payments to non-participating physicians will continue to be a topic for discussion internally with a goal of identifying a better mechanism for reimbursement that can be embraced by all interested stakeholders. The MHCC agreed to study the issue over the summer.

Spotlight on Changes in Physician Payment and Volume Per User for the Privately-Insured 2002-2004

The staff is preparing an analysis that examines changes in per user utilization of physician services. This spotlight is complements the larger practitioner study completed in April that examined fee and utilization for the privately insured. Although Maryland fees have grown slowly over the last several years, volume per user increased by about 12 percent from 2002 to 2004. The Spotlight will identify services that have experienced rapid growth over the period. Staff expects to present the spotlight at the July meeting. The National Opinion Research Center (NORC) is assisting MHCC with this analysis.

PERFORMANCE AND BENEFITS

Benefits and Analysis

Small Group Market
Comprehensive Standard Health Benefit Plan (CSHBP)
At the March meeting, the Commission approved the CSHBP regulations as final. The changes will be implemented effective July 1, 2006.

Throughout the remainder of 2006, staff will be involved in the analysis necessary to prepare various legislative reports and special studies that relate to state health care reform and other health care financing and health policy issues to present to the Commission and the General Assembly before the start of the 2007 legislative session.

Annual Mandated Health Insurance Services Evaluation
Mercer's annual review of proposed mandates (as required under §15-1501 of the Insurance Article) has been submitted to the General Assembly and the Governor's office. At the Commission's request, a transmittal letter summarizing the key findings in the report and outlining the issues posed by each proposed mandate was mailed along with the report. This year's analysis contained a review of three proposed mandates. The report is posted on the Commission's website.

Facility Quality and Performance

Web Guides:
Hospital Performance
Members of the Steering Committee met on May 26th for a final update of the revised Hospital Guide. The public unveiling of the Guide is slated for June 29th during a press conference that will be held at MHCC. Committee members expressed their satisfaction with the additional work provided by the contractor Delmarva Foundation (DF). While the majority of the recommendations of the Committee have been effectively completed, a few items (mostly data updates) remain outstanding. DF has assured MHCC staff that these items will be successfully completed on time. One of the items still in process is the loading of the HSCRC hospital cost data. MHCC staff continues to assist staff from HSCRC with the development of the necessary narrative context that must accompany the data.

MHCC staff has been asked to provide a preview of the enhanced edition of the Hospital Guide to hospital representatives at a meeting hosted by MHA on June 20th.
In addition to the Guide preview, staff will share their promotional campaign plans for increasing consumer and provider awareness of the Guide state-wide. Promotional materials and strategies have been developed in concert with DF staff and are slated for state-wide dissemination in early July in concert with the press conference.

Health Care Disparities
FQ&P staff participated in a panel discussion on May 16th regarding the use of MHCC data in the measuring of Health Care Disparities. The panel was one of the featured topics of an annual conference sponsored by DHMH's Office of Minority Health entitled "State Agency Action Agenda for Ending Health Disparities." Presentation materials provided included: a copy of the MHCC Extramural Report entitled "Feasibility of Using Maryland Hospital Data to Study Health Care Disparities"; July 2002, Claudia Shur, Ph.D (P.I); as well as a set of conceptual and summary documents illustrating the opportunities and challenges associated with the collection and analysis of data and information pertaining to racial and ethnic differences in health care services provided by health systems.

Special Projects

Nursing Home Performance
An informative meeting was held with Centers for Medicaid & Medicare Services (CMS) and the Agency for HealthCare Research and Quality (AHRQ) representatives to plan for Maryland participation in field testing for the Family Nursing Home NHCAHPS survey in the fall of 2006. MHCC staff is proceeding with an RFP to solicit a survey administration vendor for the family survey. All CAHPS surveys undergo rigorous cognitive testing and technical expert panel review before field testing and have the advantage of national benchmarking when adopted. To implement the Maryland field test, AHRQ will provide consultation, analysis software, report

templates and a crosswalk between the survey used in Maryland in 2005 and the NHCAHPS survey. Staff is currently pursuing the availability of federal money to support these efforts. MHCC staff also expressed willingness to take part in additional testing for the resident survey when it is implemented in 2008.

ARHQ and CMS representatives invited Maryland to participate in development and testing of three other CAHPS surveys: Assisted Living, Home Health, and Community Services. This is a timely request as the Commission is enhancing its LTC initiatives. These instruments are in various stages of development; meetings among AHRQ, CMS, MHCC staff will be scheduled this summer to discuss type and extent of Maryland participation.

Internal Restructuring and Collaboration
Meetings continue between Performance & Benefits staff and Health Resources Long Term Care staff to discuss status of current and future projects.

Maryland Department of Disabilities (MDOD) Quality & Self-Directed Services Steering Committee
Staff attended the second Steering Committee meeting which represents a statewide effort to define quality indicators and population outcomes for LTC community programs & waivers for adults with disabilities. A draft of outcome measures for non-medical services was completed. The next meeting will develop Self-Directed Services definitions and measures.

HMO Quality and Performance

Distribution of 2005 HMO Publications

Cumulative distribution: Publications released 10/6/05	10/6/05—4/30/06	
	Paper	Web-based
Measuring the Quality of Maryland HMOs and POS Plans: 2005 Consumer Guide (23,400 printed)	20,658	Downloads =1,144
2005 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (600 printed)	588	Downloads = 620

9th Annual Policy Issues Report (2005 Report Series) –
Released January 2006; distribution ends January 2007

Maryland Commercial HMOs & POS Plans: Report to Policy Makers (800 printed)	530	Downloads = 248

Distribution

Interest in the *Consumer Guide* from private schools in Maryland continued during May. By the end of the month, staff received and filled orders for over five hundred *Guides* and bookmarks. As a group, private schools represent the most frequent employer requests for the report. Staff will shift attention to the development of the 2006 report series and distribution of the remaining 2005 report will occur primarily through consumer requests.

2006 Performance Evaluation: HEDIS Audit and CAHPS Survey

HEDIS Audit

The HEDIS audit is nearing completion with most measure validation processes finalized. HelathcareData.com (HDC), the HEDIS audit contractor for MHCC, has nearly completed all tasks associated with the HEDIS evaluation process. However, lead auditors continue to tackle outstanding issues for most plans involved in this reporting initiative.

As an established practice, Division staff has partnered with the lead auditors in all aspects of the performance review to have close knowledge about the collection and production of HEDIS rates. Staff has been proactive in requesting, analyzing, and directing further investigation of questionable preliminary rates. Staff efforts have resulted in NCQA changing the specifications and policy for one of its measures. NCQA made the change universally effective for the current reporting period. Staff will leverage this experience in the development of the 2006 report series through early discussions with the report developer about rate changes since the last report series. Although work continues in early June on finalizing rates, plans are on track for final submission of their HEDIS data to NCQA.

HDC has proposed a revision in the format of both the Audit Evaluation and Audit Summary Reports, the final two deliverables required in the contract. Staff is reviewing a draft report outline showing the proposed revisions. The intent of the revisions is to make each report more "readable" and correspond to the major sections of the other reports already provided to MHCC, including the Final Audit Report. The Audit Evaluation Report will still contain an Executive Summary that can be used as Appendix C of the MHCC Comprehensive Performance Report.

Consumer Assessment of Health Plan Study (CAHPS Survey)

The Myers Group (TMG) concluded survey data preparation in time to meet the submission deadline for submitting member level results to NCQA for validation and composite rate calculation. The validated rates will become available on NCQA's Website in early June. Staff has instructed the vendor to create files of the validated data and forward onto plans as a back-up to the web-based data source. The final CAHPS results will be presented, along with clinical data in the 2006 HMO publications.

Throughout administration of the CAHPS survey TMG has ensured timely updates by posting password protected status reports on its Website for viewing by MHCC and Maryland plans. Looking at this year's sample of 8,470 members statewide, the average rate of response for Maryland HMOs was 38.4 percent. This average reflects an upward shift over the 2005 response rate of 36.59 percent. Response rates for plans ranged from 33.71 percent to 47.01 percent. An examination of the completed surveys shows that compared to last year, mail responses increased 16 percent. Phone responses, however, decreased. TMG took advantage of the time left in the schedule to increase the call attempts from six to eight attempts. This yielded more responses and narrowed the decrease in completed surveys by phone to 25 percent.

Plans will receive two reports analyzing their individual results. The first report will be provided by TMG in June and will contain detailed results and a synopsis of demographic analyses by the

vendor. Second, a detailed final report will present expanded analyses of individual results, will assist in identifying member satisfaction strengths and opportunities, and will aid in assessing NCQA accreditation standing.

Report Development
Work on the state employee report, *Measuring the Quality of Maryland HMOs and POS Plans: 2006 State Employee Guide,* has ended. Fifty thousand copies were distributed in late May/early June to the personnel representatives at each state agency. Additionally the report is posted on MHCC's web-site.

Staff met with key report development (NCQA) personnel during April. Design concepts, themes, and strategies to transition from paper to CDs were discussed. Subsequently, NCQA submitted a proposal to MHCC outlining work and labor costs that exceed the original scope of work. Staff will submit a response to NCQA in June on the acceptability of potential changes to the scope of work.

HEALTH RESOURCES

Certificate of Need

Modification of CON
Johns Hopkins Hospital (Baltimore City) Docket No. 03-24-2123
Modification to change physical plant design and project budget
Increase of $224,152,155 (The modified total project cost authorized is $801,926,392.)

Con Applications Withdrawn
Knollwood Manor (Anne Arundel County) Docket No. 05-02-2176
Application for relocation and construction of a new comprehensive care facility ("CCF") was withdrawn May 12, 2006
$21,054,898

Project Status Conference
Fort Washington Medical Center (Prince George's County)
Expansion and Renovation, $66,930,000
June 1, 2006

Determinations of Non-Coverage
Projects Below the Capital Expenditure Threshold
Good Samaritan Hospital (Baltimore City)
Establish a new cardiac catheterization laboratory
MHA Bond Program
$3,340,000

Mercy Medical Center (Baltimore City)
Demolish existing garage and construct an 11-story replacement garage
"Pledge" project
$26,535,259

Dorchester General Hospital (Dorchester County)
Renovation of the Emergency Department
MHA Bond Program
$1,500,000

St. Joseph Medical Center (Baltimore County)
Renovation and upgrades to the inpatient oncology unit
MHA Bond Program
$2,200,000

Sinai Hospital of Baltimore (Baltimore City)
Expansion to the existing Cancer Center – physical connection of Center to main hospital building
MHA Bond Program
$3,840,677

Atlantic General Hospital (Worcester County)
Renovations to the Child Advocacy Center and other areas of the hospital
MHA Bond Program
$1,473,150

St. Agnes Hospital (Baltimore City)
Renovation and expansion of the neonatal ICU and birthing center
MHA Bond Program
$2,100,000

Temporary Delicensure of Bed Capacity or a Health Care Facility
Laurelwood Care Center at Elkton (Cecil County)
Temporary delicensure of 8 CCF beds

Mariner Health Care of Circle Manor (Montgomery County)
Extension of time to relicense 80 temporarily delicensed CCF beds until December 1, 2006

Relicensure of Bed Capacity
Ravenwood Nursing and Rehabilitation Center (Baltimore City)
Relicense 25 temporarily delicensed CCF beds

Relinquishment of Bed Capacity
Fox Chase Nursing and Rehabilitation Center (Baltimore County)
Relinquishment of 13 licensed CCF beds

Waiver Beds
Chestertown Nursing and Rehabilitation Center (Kent County)
Addition of 8 CCF waiver beds

Sheppard Pratt Hospital (Baltimore County)
Addition of 7 MART, or "Lisa L" waiver beds

Freestanding Ambulatory Surgical Centers
Carroll Footworks Surgery Center (Carroll County)
Change in ownership interest in the surgery center

Catoctin Spine Center (Frederick County)
Establish an ambulatory surgery center with one non-sterile procedure room

Harford Podiatric Surgery Center (Baltimore County)
Establish an ambulatory surgery center with one non-sterile procedure room

Other
Peninsula Home Care (Worcester County)
Establishment of a branch office in Worcester County

THI of Maryland, Inc.
Internal restructuring of an organization that owns nine CCF facilities in Maryland
Frostburg Village Nursing Care Center (Allegany County)
Merger of Tandem Health Care Inc. with THC Acquisition Corporation

Acute and Ambulatory Care Services

Maryland's acute general hospitals will again change their licensed acute care bed capacity as of July 1, 2006. Since 2000, Maryland law has required annual recalculation of all acute care hospitals' licensed capacity, based on their previous year's average daily census. Every hospital's licensed acute care capacity is equal to 140 percent of its average daily census for the most recent 12 month period available. Within that number, hospitals are required to notify the Commission and the Office of Health Care Quality how those beds will be designated among the individual acute care services. The resulting licensed bed capacity serves as the single, official source of acute care hospital bed inventory for the state.

On June 1, 2006, the application forms with the new bed licensure numbers for FY 2007 were sent to all hospitals. Along with the allocation of their licensed capacity, hospitals are asked to provide information to the Commission on changes in the capacity of other hospital inpatient services. The application also asks for the total physical acute care capacity, independent of current licensure, utilization, or staffing issues. The hospitals are also asked to complete three supplemental surveys. One is the emergency department treatment capacity survey, which provides the number of monitored beds in the ED, and the number of treatment beds by type, such as triage space, trauma, psychiatric patients, pediatrics and fast track. Another survey asks for the components of obstetrics services capacity, such as the number of operating rooms dedicated for Cesarean section deliveries, the number of LDRs (labor-delivery-recovery rooms), or the number of LDRPs (labor-delivery-recovery-post-partum rooms). The third survey tracks all surgical capacity in the hospital.

Long Term Care Services

The final meeting of the Hospice Work Group was held on Tuesday, May 30, 2006. Discussion focused on the hospice need methodology and factors that will influence future need for hospice services. There was a presentation that described the current methodology and the need for a new methodology that better reflects actual utilization. The Work Group discussed several new scenarios based on an updated methodology to project future need for individuals needing hospice services in Maryland. The group also discussed several issues related to Certificate of Need standards such as the closure of a county's sole provider and the volume threshold for docketing hospice Certificate of Need applications.

The summary of the final Home Health Agency Work Group meeting, held on April 27, 2006, was distributed to Work Group members on May 17, 2006.

The summary of the final Nursing Home Work Group meeting, held on April 28, 2006, was distributed to Work Group members on May 15, 2006.

Long Term Care Staff attended a meeting on May 31, 2006 at the UMBC Technology Center. This was a Stakeholders Meeting for a 2006 Long Term Care Systems Transformation Grant application to the Centers for Medicare and Medicaid Services (CMS). A presentation was made by staff of HCBS Strategies, Inc., a contractor hired by the Department of Health and Mental Hygiene, to assist in the development of the application.

Hospice programs in Maryland are continuing to complete the 2005 Maryland Hospice Survey. Part II of the survey, which contains the financial information, is due by June 15, 2006. After the data is processed and edited, a public use data set will be developed.

Specialized Health Care Services

The State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention (PCI) Services (COMAR 10.24.17) provides for the Commission to issue a waiver from its policy requiring that PCI procedures should be performed only in hospitals with on-site cardiac surgical backup. In 1996, the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) Project received a waiver from that requirement for participating hospitals to provide primary angioplasty. Current regulations require Maryland hospitals without on-site cardiac surgery to submit an application for a primary PCI waiver. On October 28, 2005, the Commission published in the *Maryland Register* the schedule for submitting applications. The schedule is also available at http://mhcc.maryland.gov/statehealthplan/regnotice102005.pdf. Applications from C-PORT hospitals in the Washington Metropolitan Regional Service Area were due on April 12, 2006. As part of its review of the applications, the Commission contracted with the Atlantic Cardiovascular Patient Outcomes Research Team through the small procurement process for an analysis of C-PORT primary angioplasty data for 2004 and 2005. On May 12th, the Commission docketed applications from the following hospitals in the Washington Metropolitan region: Southern Maryland Hospital Center (Docket No. 06-16-0008 WN), Shady Grove Adventist Hospital (Docket No. 06-15-0009 WN), Holy Cross Hospital (Docket No. 06-15-0010 WN), and Doctors Community Hospital (Docket No. 06-16-0011 WN). Notice of the docketing was published in the *Maryland Register*. Each hospital is currently providing primary PCI under an interim waiver granted by the Commission. Under COMAR 10.24.17, the Commission shall review each request for a waiver to determine whether the hospital meets the requirements in the regulations; the Executive Director shall prepare a recommendation for presentation to the Commission to issue or deny issuance of the waiver and shall set forth the reasons supporting the recommendation. The Commission will consider recommendations on the above applications at a public meeting scheduled for June 15, 2006.

At the public meeting on May 18, 2006, the Commission granted a two-year primary PCI waiver to Anne Arundel Medical Center, and one-year conditional waivers to the following hospitals in the Baltimore Metropolitan region: Franklin Square Hospital Center, Baltimore Washington Medical Center, Howard County General Hospital, Johns Hopkins Bayview Medical Center, Mercy Medical Center, and St. Agnes Hospital. On June 2nd, Mercy Medical Center (MMC) submitted an updated Collaboration Agreement between MMC and University of Maryland Medical Center to meet one of the conditions of its waiver. On June 7th, Franklin Square Hospital Center (FSHC) submitted information on a plan of action undertaken by the hospital to

meet the door-to-balloon threshold of ≤ 120 minutes. FSHC also reported its progress toward providing more timely reperfusion and meeting the optimal institutional volume of primary PCI procedures during the first five months of calendar year 2006.

Under a contract with the Commission, the C-PORT staff is collecting and validating data from the hospitals providing primary PCI services without on-site cardiac surgery in Maryland during 2006. The Commission solicited bids to perform these services through the small procurement process. For the purpose of measuring and monitoring program compliance and effectiveness, the Commission's staff expects to review and analyze primary PCI data for the first quarter (January through March) of 2006 in late June.

The staff continues to work on a Request for Proposals to establish and manage a Data Coordinating Center for the Maryland Primary Percutaneous Coronary Intervention Data Set. This solicitation will establish the ongoing waiver data set and data collection, validation, and analysis process. The contractor will implement the primary PCI data reporting requirements for the cardiac surgery hospitals in Maryland in the second year of the contract.

HEALTH INFORMATION TECHNOLOGY

Health Information Technology

Last month staff continued to support the efforts of the *Task Force to Study Electronic Health Records* (Task Force). Staff worked with the Chair and Vice Chair to develop a statement of work for its three workgroups. The Task Force's three workgroups – "Computerized Prescribing and Policy Development," "Electronic Patient Information and Policy Development," and "Infrastructure Management and Policy Development" – are in the early stages of policy analysis. Staff also supported workgroup leads in crafting a framing document outlining activities the workgroups will undertake over the next six months. Workgroups are expected to meet again as part of the June 12th Task Force meeting. Staff scheduled two speakers to present on key items addressed in the legislation during the upcoming Task Force meeting. The first speaker is from the Maryland State Department of Education and will address issues related to electronic school health records. The second speaker is from Avalere Health and will discuss the Agency for Healthcare Research and Quality (AHRQ) report on "Evolution of State Health Information Exchange."

Staff developed draft regulations for funding health information technology (HIT) initiatives, which provide for the Commission to receive and evaluate applications for HIT projects, and recommend them for funding by the Health Services Cost Review Commission (HSCRC) through small assessments on hospital rates. These regulations, COMAR 10.25.13, *Health Information Technology Funding Applications,* will be finalized over the next month. Staff also provided the HSCRC with feedback regarding modifications to their existing regulation, COMAR 10.37.10, *Rate Application and Approval Procedures,* that will be used to evaluate MHCC's recommendations on funding HIT applications.

During the month staff discussed its plan to assess how organizational business policies, practices, and state laws regarding privacy and security affect statewide health information exchange with members of the *Health Information Technology Steering Committee* (Committee). Sixteen of the 26 members of the Task Force participate on this 27-member Committee. The Committee's purpose is to advise staff on various health information technology initiatives. MHCC is considering funding the work that would have been funded by RTI International had it

been a recipient of one of the subcontract awards. The Committee is scheduled to meet again on June 12th.

Staff attended a two-day conference entitled "The Future of Health Care IT" in Washington DC. This conference, directed to government health executives and administrators, was jointly sponsored by the publishing company of Harvard Business School and Accenture, an international consulting firm involved in developing one of four prototypes for a National Health Information Network. The conference provided staff with information on health information exchange networks.

EDI Services

The National Provider Identifier (NPI) Workgroup met last month to discuss implementation challenges associated with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) National Identifier Regulations. The NPI will be the only provider identifier permitted in electronic transaction beginning May 23, 2007. The NPI Workgroup has been meeting each month to identify local challenges and evaluate implementation scenarios for small, medium, and large providers. The NPI Workgroup plans to develop use case scenarios to help guide providers in assessing their NPI enumeration requirements. Staff plans to convene the NPI Workgroup in June to discuss technology barriers that impact using the NPI in electronic transactions. The NPI Workgroup will explore policy recommendations regarding implementing organizational NPIs around mid-summer.

Staff released the draft *2005 Dental EDI Review* in May to the stakeholder community consisting of dental payers, associations, and electronic health networks. The *2005 Dental EDI Review* reflects 2004 administrative dental transaction census information. A final version is posted on the Commission's website. MHCC's annual dental review guide is viewed as a useful tool for promoting growth of HIPAA's administrative simplification transactions among dental payers and providers.

Last month staff reviewed its internal process for evaluating payers' *EDI Progress Report*. Payers identified for reporting must submit their report by June 30, 2006. The EDI Progress Report contains volume information on approximately nine different HIPAA transactions from 51 payers operating in Maryland that meet the reporting requirements of COMAR 10.25.09, *Requirements for Payers to Designate Electronic Health Networks.* Staff uses this information to develop EDI programs and in the annual *Practitioner and Hospital EDI Review* which is targeted for release in November.

Electronic Health Network Services

During the month, staff granted MHCC candidacy status to Ancillary Care Management, NaviMedix, and Practice Management Group. Currently, 20 electronic health networks are MHCC-certified and 9 additional networks are in candidacy status. Staff continued to provide consultative support to RxHub, an e-prescribing network, to finalize their application for candidacy status. Payers doing business in Maryland are required to accept electronic transactions from only MHCC-certified networks. Staff continues to collect input from providers, payers, software vendors, and networks on enhancing existing MHCC certification requirements.

Trauma Fund (Fund) Operations

The Fund's auditor, Clifton Gunderson, LLP submitted its findings for five uncompensated care application audits completed over the last month. The auditor reviewed more than half of the uncompensated care applications submitted to the Fund during the last two reporting periods.

Two of the application audits required no adjustments, while the remaining three required an adjustment. Payment adjustments identified by the auditor will be applied during the July 2006 reporting period.

Last month staff provided consultative support to approximately 15 trauma physician billing managers as it relates to submitting an uncompensated care application during the July application cycle. About 30 days prior to the application deadline staff receives inquiries relating to determining eligibility and completing an application.

Survey Collection

Approximately 84 percent of the 314 ambulatory surgery centers notified to complete an electronic Ambulatory Surgery Survey have submitted their survey. Centers have 45 days from the date that an authorized representative signs for the certified letter to complete their online survey. All surveys must be received electronically by MHCC no later than June 25th. The Ambulatory Surgery Survey collects information on the setting, size, medical specialties, and utilization of these facilities.